
RESPONSE TO SGX-ST QUERY ON UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

The Board of Directors of Samko Timber Limited (the "Company") wishes to announce the following in response to the query raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") in respect of the unaudited full year financial statement and dividend announcement for the year ended 31 December 2013:

SGX-ST Query:

We note that Other Liabilities increased from Rp 94,548 million as at 31 December 2012 to Rp 127,084 million as at 31 December 2013. Please provide a breakdown of the Other Liabilities balance as at 31 December 2013 and explain the reasons for the increase.

The Company's Response:

Breakdown of Other Liabilities:

	2013	2012	Increase	
	Rp'million	Rp'million	Rp'million	%
▪ Salaries, wages and employee welfare ⁽¹⁾	32,868	28,230	4,638	16
▪ Value added tax ⁽²⁾	32,444	20,121	12,323	61
▪ Freight ⁽³⁾	21,129	17,729	3,400	19
▪ Post-employment benefits (current portion) ⁽⁴⁾	7,179	-	7,179	n.m
▪ Interest	5,550	5,214	336	6
▪ Operating expenses ⁽³⁾	27,914	23,254	4,660	20
	<u>127,084</u>	<u>94,548</u>	<u>32,536</u>	<u>34</u>

n.m : Not meaningful

The reasons for the increase are set out as follows:

- (1) Salaries and its related staff benefits increased due to the normal adjustment at the beginning of 2013.
- (2) Value added tax increased due to the increase in sales as compared to prior year.
- (3) Freight and operating expenses increased primarily due to the increase in business activities.
- (4) Reclassification of the current portion of post-employment benefits. In 2012, post-employment benefits were included in non-current liabilities as such amount is immaterial.

BY ORDER OF THE BOARD

Aris Sunarko @ Ko Tji Kim
Chief Executive Officer
28 February 2014